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Subject: OPPOSE FOREX INTRODUCING BROKER (IB) PROPOSALS in RIN 3038-AC61

To whom it may concern at the CFTC:

I am wiring to inform you that (in addition to my strong opposition to your proposed restriction of FX leverage down to 10-1 (100-1 is already the appropriate level)) **I am fiercely opposed to your proposed restrictions on Forex IBs.**

While ANY reasonable FX trader and FX IB will admit that they are in favor of a strong and respected registration & regulatory framework, these specific Forex IB proposals will ultimately be very harmful to the end FX customer, to all FX IBs, and to the entire FX industry.

Here's why: ALL FX BROKERS ARE NOT THE SAME. IBs need to be free to direct their different customers, each with their differing needs, to the most appropriate FX Broker for them.

For just a few examples:

1. Some FX Brokers offer fixed bid/ask spread-widths while others offer dynamically-fluctuating bid/ask spread-widths. Each offers various pros/cons depending on the type of end-customer and when/how frequently they trade. (Ex: A trader who trades only after major news releases)
2. Some offer highly sophisticated charts, news, research tools, technical studies & analytics while others offer none at all. Depending on trading style, this may or may not be important to a customer. (Technical vs. flow vs. fundamental vs. discretionary traders)
3. Some FX Brokers offer platforms that are simple, fast and robust, while others are far more functional, advanced, complicated and feature-rich. High-volume traders prefer fast & easy. Long-term position traders may not.
4. Some FX brokers offer the METATrader programmable FX software, while others offer a different, custom-designed trading software depending on customer preference.
5. Some brokers offer an ECN-style open limit orderbook "self-trading" platform where customers can post their own bids & offers as price-MAKERS, while others require that customers trade as price-TAKERS only on their posted prices. Each offers significantly different advantages, depending on the type of end FX-customer. Scalpers for example might use an FX ECN. Beginners, however, might not be right for an ECN.
6. For those customers that are interested, some FX FDMs offer automated-trading via computer API (Programming Interface) while others don't at all. Of those that offer trading APIs, some are programmed in FIX protocol, others are JAVA, others are MQL, others C++, depending on client preference.
7. This list can continue until 100, but for brevity i will not drag on ...

VERY Importantly, some RFED's may be very poorly capitalized and financially unstable but offer a highly competitive compensation package. Other FDMs or RFEDs may be better capitalized but offer a less generous compensation package for the IB. Since FX client funds are NOT segregated, confining or trapping the IB to one single Broker creates a VERY dangerous conflict of interest for the IB between serving his own financial interest or that of the customer.

Navigating the complex universe of FX trading - with all its different FDMs, FX FCMs, RFEDs and their various cons & advantages is no easy task. This is where the IB can intermediate and serve a VERY valuable function for both the clients and brokers by directing the right customers to the appropriate broker. BUT, as you can see, the IB can't be needs to be FREE to refer his customer (which presumably he knows intimately) to the most appropriate FX trading venue or broker FOR THAT SPECIFIC CUSTOMER's NEEDS. The end FX customer will be far more well-served this way, and the FX IB will not feel as though he is being constrained in his ability to both make an honest living and serve the interests of the customer.

In on-exchange Futures trading, IBs are able to work with any number of FCMs that they choose. Why are you treating OTC FX so differently?

PLEASE DO NOT IMPRISON OR CAGE FX IBs TO BE GUARANTEED BY JUST ONE SINGLE FX BROKER AT A TIME. THIS WOULD HAVE THE UNINTENDED EFFECT OF SEVERELY CONSTRAINING AND HINDERING THE IB's ABILITY TO EARN A LIVING AND WOULD GREATLY UNDERMINE THE INTERESTS OF THE END FX CUSTOMER. PLEASE ALLOW IBs THE OPTION TO WORK WITH AS MANY FX BROKERS AS THEY FEEL APPROPRIATE, SO THEY CAN BEST SERVE THEIR CUSTOMERS' INTERESTS.

With Great Respect,

Thomas Benedetti

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